VALUATION REPORT:

UNIMAR INTERNATIONAL, INC. & SUBSIDIARIES

AS OF SEPTEMBER 30, 1991

PREPARED BY

Management Advisory Services, Inc.

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Management
Advisory
Services, Inc.

Financial Solutions For Business

Please Refer to
Client No. U-22

August 27, 1992

To the Trustees of Unimar International,
Inc.'s Employee Stock Ownership Trust

In accordance with your authorization, we have made an appraisal of Unimar International, Inc. and Subsidiaries (hereinafter referred to as "Unimar" or "the Company"), and herewith submit a report on our findings.

The purpose of this appraisal is to express an opinion of the fair market value of the common stock of the Company as of September 30, 1991. It is our understanding that this appraisal is for the administration of the Company's Employee Stock Ownership Plan (ESOP) and Trust (ESOT).

The term "fair market value" as used herein is defined as the amount at which the common stock would be exchanged between a willing buyer and a willing seller, each having reasonable knowledge of all relevant facts, neither being under any compulsion to act.

Based upon the investigation, premises and analyses described in the accompanying report, it is our opinion that as of September 30, 1991, the common stock of Unimar has nominal value and for ESOP administration purposes the fair market value is reasonably stated in the amount of:

ONE CENT PER SHARE
1¢/Share

based on 879,518 common shares outstanding.

In accordance with recognized professional ethics, the fee for this service is not contingent upon our conclusion of value. Neither Management Advisory Services, Inc. nor any of its employees has an ownership interest in the Company.

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This appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practices of the American Society of Appraisers. Furthermore, the American Society of Appraisers has a mandatory recertification program for all of its Accredited Senior Appraisers (ASA). The ASAs signing this report are in compliance with the requirements of this program.

The accompanying report documents the premises, analyses and logic upon which our conclusions are founded. The opinion expressed above and the related conclusions developed in the report are advisory in nature. Before relying upon the results set forth in this letter, the narrative report should be read and analyzed in its entirety.

Neither all nor any part of the contents of this letter and the accompanying pages should be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media, without the prior written consent and approval of Management Advisory Services, Inc.

Future services regarding the subject matter of this letter, including but not limited to testimony or attendance in court shall not be required of Management Advisory Services, Inc. unless previous arrangements have been made therefore in writing.

Respectfully submitted,

MANAGEMENT ADVISORY SERVICES, INC.

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VALUATION REPORT

I. INTRODUCTION

Purpose

The purpose of this valuation is to determine the fair market value of the common stock of Unimar International, Inc. (hereinafter referred to as "Unimar" or "the Company"), as of September 30, 1991. It is our understanding that the purpose of this valuation is for the administration of the Company's Employee Stock Ownership Plan ("the ESOP").

Definition of Fair Market Value

The term "fair market value" as used herein is defined as the amount at which the subject property would be exchanged between a willing buyer and a willing seller, each having reasonable knowledge of all relevant facts, neither being under any compulsion to buy or sell.

Scope of Investigation

The appraisal investigation included a visit to the Company's facilities at Seattle, Washington; discussions with management regarding the current operation and future prospects; a review of financial statements and reports; and consideration of other factors that were deemed necessary under the circumstances. The Company's audited and reviewed financial statements and other pertinent information provided to us have been accepted without further verification as correctly reflecting the results of operations and the financial and business conditions of the Company for the respective periods. We have not examined the financial records of the Company to determine the accuracy of the data presented in its financial statements. Other data and publicly available information relied upon by us are also assumed to be accurate. We have not independently appraised the individual assets owned by the Company in arriving at the conclusion of value. The descriptive information contained in this report is current up to valuation date.

II. UPDATE DESCRIPTION OF UNIMAR

We have previously valued the Company for ESOP purposes as of September 30, 1990. Its history and description can be found in our valuation report issued on June 21, 1991. Significant events during fiscal 1991 are as follows:

1. Unimar effectively terminated its marine hauling activities conducted by its wholly owned subsidiary, United Marine Tug and Barge, Inc. ("UMTB"). During the fiscal year, UMTB faced increasing difficulties in servicing the debt on its fleet of tugs and barges, including the debts to the U.S. Maritime Administration (MARAD). Revenue from the marine hauling operations were falling below plan, and in July, the shareholders decided to terminate the operation, and all the employees of UMTB were subsequently released. By September 30, 1991, UMTB had substantially discontinued all tug and barge operations, and all of its vessels were returned to its creditors.

2. The ship repair and building activities conducted by United Marine Shipbuilding, Inc. ("UMS"), a wholly owned subsidiary, had a disappointing year. The Alaska fishing industry was in a hold-back mode with few conversions and little repair work that traditionally were performed at shipyards around Puget Sound. UMS reported a drop in revenue of over 40 percent from the previous fiscal year. However, towards the end of fiscal 1991, management began to have better focus on the shipbuilding operation without the distraction of the tug and barge operations. Capacity utilization began to increase towards the end of the fiscal year.

3. With the discontinuation of one of its two operating subsidiaries, Unimar's corporate staff was also reduced. Charles Madison, the former president and chief operating officer, resigned effective as of the fiscal year-end.

The former chief financial officer also departed, and the corporate controller, Paul Megale, took over the position's responsibilities. Dan Kistler, the president and chief operating officer for UMS, took on the president responsibilities for Unimar. Around valuation date, the Unimar corporate staff had 9 people versus 11 a year ago.

4. In June, 1991 UMS sold the drydock located in Astoria, Oregon, and in May, 1991 one of the four drydocks at its Lake Union facility was also disposed of. This was in keeping with the Company's plan to shed excess assets and to repay debt with the proceeds. Around valuation date, the Lake Union facility had three drydocks, and they were considered by management to be necessary for the ongoing operations of UMS.

5. No significant developments occurred regarding Unimar's potential liability to perform cleanup procedures on the lake adjacent to its facility at Lake Union. During the fiscal year, sampling studies were completed and the Company was waiting for the remediation recommendation from the Environmental Protection Agency, which should define the scope of cleanup efforts and allow for estimates of future costs.

6. There has been no change in the ownership of the Company's capital stock. The ESOP continued to own 730,000 shares of the 879,518 outstanding common shares.

III. GENERAL ECONOMIC OVERVIEW 1991

National Economy

Economic indicators for the second quarter of 1991 show that real consumption spending rose a strong 3.6 percent with strength in durable goods spending and services, but fixed investment slipped 0.9 percent. Non-residential investment was down 2.3 percent as investment in both structures and equipment fell, but residential investment rose 3.7 percent. The foreign sector, which has cushioned the recession, deteriorated sharply in the second quarter. A 21.2 percent increase in imports swamped a modest 3.7 percent improvement in exports. Analysts expect that as the nation recovers, import growth will pick up and exports will likely lag, with slower growth overseas. Federal government purchases of goods and services rose at 5.0 percent annual rate in the second quarter. Excluding purchases by the Commodity Credit Corporation, however, federal purchases declined at a 3.4 percent rate as a result of lower military spending. State and local government purchases of goods and services were unchanged in the second quarter. Analysts are cautious in their outlook for the overall economic recovery.

During the first half of 1991 the annualized inflation rate was 2.7 percent. For the year ending in June, the increase in the CPI was 4.7 percent. Falling energy prices, the soft economy, and excess capacity have all played a role against the backdrop of restrained monetary growth. The Federal Reserve's Open Market Committee is looking for inflation in the three to four percent range in 1992.

Regional Economy

<u>Employment Data</u>

Monthly employment data indicate a sharp deterioration in the Washington economy since February 1991. Preliminary July employment estimates indicate an increase of 5,800 in the month. The teacher's strike, however added an unseasonable 6,000 to the July figure, and a reporting error in the services component contributed 1,200. Without these anomalies, employment would have declined for the fifth consecutive month in July. Unlike national employment, which seemed to have reached a trough in April, Washington's recession continued through July. The breadth of the recession in the state is illustrated by a continuing decline in manufacturing which has been in recession since the end of 1989. It continued its slide, down 3,500 from February 1991 to July 1991.

Construction fell a stunning 13,000 in the same five month period. Employment in mining; transportation, communications, and public utilities; wholesale and retail trade; finance; insurance and real estate; and services all fell during this period a total of 20,200.

Analyst's forecasts indicate that the sharp contraction of employment through June means slower employment and growth in the second and third quarters of 1991.

Housing Statistics

The number of housing units authorized by building permits slumped to an annual rate of 34,200 in the third quarter of 1991 from 39,700 in the second quarter. Moderate housing activity is expected to continue, and analysts forecast 41,900 units in fiscal 1992 and 38,100 units in 1993.[a]

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[a] Sources: *Economic and Revenue Forecast, State of Washington.* Office of Forecast Council. Sept. 1991.
Northwest Business Barometer. U.S. Bank. Feb., May, Aug. 1991.

IV. INDUSTRY TRENDS

Definition

The second-tier shipyard industry consists of small and medium sized facilities that build and repair tugboats, towboats, and barges for the domestic water transportation industry; supply boats, crewboats, and other specialized vessels for the offshore service industry; and a wide variety of shipping vessels. They also build and repair the smaller vessels of the U.S. Navy, the Coast Guard fleet, and vessels operated by the Army Corps of Engineers and the National Oceanic and Atmospheric Association.

Activity Levels

Repair Levels

The American Waterways Shipyard Conference is the only association which tracks data on employment, new construction, and repair activities in the second tier shipyard industry. Their 1991 Annual Shipyard Survey reports that 94 percent of all respondents provided information on new construction and repair activities. Because vessel numbers are low, year-to-year changes appear to be quite volatile in percentage terms. Of all respondents, 88 percent reported having done repair work. A 31 percent increase in the number of power-driven vessels repaired was reported between 1990 and 1991. River barge repairs increased 48 percent between 1990 and 1991, and repairs for river tank barges increased 100 percent. A 46 percent decrease in the repair of offshore barges was reported between 1990 and 1991, and the repair of offshore dry cargo hoppers and deck barges decreased 52 percent. The repair of offshore tank barges decreased 14 percent.

New Construction Levels

Second-tier yards reported a 36 percent increase in the number of power driven vessels constructed. Construction of military vessels increased by 93 percent. Overall construction of river barges increased by 16 percent between 1990 and 1991. New river tank barge construction increased 27 percent, and the construction of new river deck barges fell by 45 percent. Between 1990 and 1991 there was a 67 percent decrease in the overall construction of new offshore barges, and an 88 percent decrease in construction of new offshore dry cargo hopper and deck barges.

Employment Levels at Second-Tier Yards

Reported employment levels in 1989 (13,489) showed a dramatic 50 percent decline from 1982 (26,930). 1989 was the last year that second-tier yard respondents to the American Waterways survey showed a decrease in employment. Since then, employment has increased each year. The largest of these increases were 55 percent in 1990 and 29 percent in 1991. Thirty-nine percent of the second-tier yards responding to the survey reported that their employees are represented by at least one union.

Long Term Prospects

Second-tier shipyards are expected to see a more favorable level of barge construction through the middle to late 1990s. Because barge and towboat fleets are aging, surviving operators will be looking to upgrade their fleets, industry analysts report. The early 1980s boom in new construction is unlikely to be seen again unless major markets develop for the export of grain and coal.

The orderly retirement and replacement of existing single-hull tank barges may be promoted by the double-hull construction law in effect in 2015, according to industry analysts.*

* Sources: *American Waterways Shipyard Conference, 1991 Annual Shipyard Survey*; Arlington, VA.
1991 U.S. Industrial Outlook; U.S. Department of Commerce. Jan. 1991.
1992 U.S. Industrial Outlook; U.S. Department of Commerce. Jan. 1992.

V. FINANCIAL OVERVIEW

Valuation of a business ownership interest requires a complete analysis of the subject company, including a review of historical operating results, financial condition, as well as a projection of future operation. Our investigation included a review of the Company's financial statements since its inception in 1988, as well as other pertinent information bearing upon its recent operating results and financial condition. These reported financial statements are summarized for review purposes as Exhibit 1, Comparative Summary Statement of Income; Exhibit 2, Comparative Summary Balance Sheet; and Exhibit 3, Financial Ratio Trends. A discussion of significant data in these exhibits follows.

Operating Results

The Comparative Statement of Income, Exhibit 1, summarizes the audited and reviewed financial statements for Unimar. Fiscal 1991 figures are not comparable with prior years due to the discontinuation of UMTB; UMTB had been the larger subsidiary of the Company in terms of revenue. UMS revenue of $3,877,000 reflected a 49 percent decrease from fiscal 1990 ($7,564,000) due to continued weakness in the fishing industry and consequent reduction in repair and maintenance contracts. Gross profit, which was negative in fiscal 1990 for the Company as a whole, was $188,000 in fiscal 1991 mainly due to expense reduction at the shipyard.

Selling, general and administrative expenses were cut nearly 50 percent, from $3,606,000 to $1,887,000 as a result of the liquidation of UMTB and a reduction in administrative personnel. Operating income continued to be negative, although the operating loss was reduced from $4,490,000 in fiscal 1990 to $1,699,000 in fiscal 1991. Interest expense in fiscal 1991 is not comparable with interest expense in prior years as the interest expense on UMTB debt was reclassified to discontinued operations. Besides losses from asset dispositions, during fiscal 1991 UMS also wrote down the value of its drydocks from $3,181,667 to $1,000,000 to reflect current market conditions. Total asset-related losses of $3,445,000 were recognized in fiscal 1991. As a result, Unimar had losses from continuing operations of $7.7 million.

The discontinuation of UMTB led to an $11.4 million gain resulting from the elimination of the debt collateralizing operations. Unimar therefore recognized a net gain from discontinued operations of $6.3 million. This gain offset in part the loss on continuing operations, resulting in a net loss for Unimar of $1,372,000.

Another way to gauge the operating results of Unimar in fiscal 1991 is to examine the financial data for UMS alone. Our review of internal financial reports for UMS indicates that despite the drop in revenue in fiscal 1991, UMBS generated $107,000 of operating income before depreciation and corporate overhead versus a loss of $156,000 a year ago. Overall, UMS realized better profit margin after direct expenses in fiscal 1991 than in 1990. Expenses for Unimar, the holding company, were relatively unchanged between the two fiscal years as the staff reduction did not become effective until the end of fiscal 1991. The measurement of operating cash flow (net income plus depreciation and imputed interest) at $4,255,000 in fiscal 1991 was chiefly a result of the non-cash gains from extinguishment of debt. From continuing operations alone, the operating cash flow was a negative $4,703,000 if the gain were excluded.

Financial Condition

Exhibit 2 summarize's Unimar's balance sheets at each of the last three fiscal year ends. The enormous reduction in assets in fiscal 1991 is largely due to the elimination of UMTB, although the writedown of the UMS drydocks also played a role. On September 30, 1991, Unimar had total assets of $6.1 million. Of this, about $3,657,000 was in drydocks, property, and equipment. Of the remainder, the largest asset was cash held in escrow of about $1,747,000. The cash is pledged as a secondary source of repayment for a $7.6 million debt to the Washington State

Department of Transportation (WSDOT) and a $200,000 note to the National Bank of Alaska (NBA). These escrow accounts are funded by a 4.5 percent contribution from the Company's gross payroll. Despite the elimination of UMTB, accounts receivable rose from $276,000 on September 30, 1990 to $372,000 on September 30, 1991.

Unimar had current liabilities of $6.0 million, nearly equaling the Company's total assets and indicating a working capital deficit of $4,563,000. Current liabilities declined only modestly from September 30, 1990 to September 30, 1991 when compared with the declines in other assets; pre-petition liabilities, which are classified as current liabilities, were not reduced when UMTB was discontinued. It should be noted that the current portion of long-term debt on valuation date does not include any contingent debt payments that would be made if certain cash flow levels were met by Unimar. Unimar had about $10.8 million in long term obligations on date of valuation. The long term debts included in this amount are summarized as follows:

Unimar

The holding company's obligations on September 30, 1991 consisted of the $7.6 million WSDOT debt discussed above, and $1,926,833 in pre-petition obligations to creditors. Neither obligation bears interest, and the primary source of funds to pay these obligations is cash flow distributed from UMS. Most obligations of Unimar and its subsidiary were categorized as A, B, or C notes, based largely on priority. The WSDOT debt is an A note, and the pre-petition liabilities were not categorized.

UMS

UMS had long-term debt obligations to four creditors and on the date of valuation was renegotiating two accounts payable into long-term notes.

1. **Marine Midland Bank (MMB)**

UMS has A, B, and C notes payable to MMB. The A note has a balance of $1,005,000, bears interest at 10 percent, and requires fixed principal payments semiannually through August, 2003. The B note has a balance of $1.9 million and accrues interest at 8 percent. Neither interest nor principal are due unless UMS meets certain thresholds defined by a complex cash flow formula. Neither interest nor principal was payable in fiscal 1989, 1990, or 1991. Both the A and B notes are collateralized by drydocks numbers 2, 6, and 9.

The MMB C note was collateralized by drydocks numbers 3, 4, 8, and Sam's Warehouse, which were liquidated in fiscal 1991. MMB verbally indicated that it would forgive the C note, but no confirming documentation has been received by the Company.

2. **National Bank of Alaska (NBA)**

UMS has an A note payable to NBA of $979,000 and a B note payable to NBA of $150,000. The A note is payable at the rate of $10,000 per month, including interest at 10 percent, with a balloon payment of approximately $710,000 due in 2000. The B note is payable in semi-annual installments of $25,000 beginning in June, 1991; the B note does not bear interest.

3. **Transamerica**

UMS's obligations to Transamerica include both an A note and a B note. The A note has a balance of $170,000, bears interest at 10 percent, and requires semi-annual payments of $21,250. No payments were made on this note in fiscal 1991. The B note has a balance of $205,000 and accrues interest at 8 percent. Both principal and interest are payable only if UMS reaches certain cash flow thresholds.

4. **Evergreen Leasing**

As with NBA and Transamerica, UMS has both A note and B note obligations to Evergreen Leasing. The A note obligation has a balance of \$656,000 and requires monthly payments of \$9,275 including interest at 11 percent. The B note has a balance of approximately \$23,000 and requires monthly payments of \$710, including interest at 11.5 percent.

UMS also had negotiated the amortization of two former accounts payable on notes with balances of \$233,000 and \$22,000 as of September 30, 1991. The notes are payable to Neal & Company and Eagle Pacific, respectively, and bear interest at 12 percent.

In summary, the face value of all of the Company's and its subsidiary's long-term debts on September 30, 1991 was \$15,623,092. On the Company's audited financial statements, the debts were reported at discounted values. The discounts ranged from 15 percent to 24 percent. The discounted values accrue interest over time in order to bring the discounted values up to face value. Management indicated that the discounted book values do not represent the total principal repayment obligations over the terms of the debts.

As described previously, equity in the Company consisted of one class of preferred stock and one class of common stock. On September 30, 1991, the Company's accumulated losses totalled \$29,223,166 and total equity was a deficit of \$10,786,000.

The changing financial condition in Unimar can be analyzed by way of the financial ratios shown in Exhibit 3. Unimar's solvency condition had improved little in fiscal 1991. Given the negative balance for equity, Unimar effectively was funded all by debt, and had enormous debt service requirements. The profitability ratios generally confirm our previous discussions. The asset turn ratios for fiscal 1991 appear to show significant improvements mainly because in prior years the ratios included UMTB.

In summary, the viability of Unimar has not improved in any significant way during fiscal 1991. Although the discontinuation of UMTB also eliminated about $19,000,000 of debt, the remaining operation of UMS was unprofitable in fiscal 1991 and it, by itself, also carried a heavy debt burden.

Forecasted Profitability

Projecting future income is among the most important parts of the valuation analysis since, regardless of the Company's historical performance, a prospective buyer will only participate in the Company's future earnings. For Unimar, because of its past losses, its going-concern ability can only be analyzed in its projected performance. Analyzing historical operating results, however, contributes to the understanding of the business and its performance in relation to its competitors, the marketplace, as well as the economy. In our process of formulating an income projection for Unimar, we have conferred with management regarding its expectations and operating plans, analyzed current conditions in the marketplace and the economy, and relied on relevant economic and industry information. In order to manage the numerous financial details surrounding the Company and its subsidiaries, we have developed separate comprehensive projections for Unimar (as a holding company) and UMS.

Unimar

Exhibits 4 through 7 present our projections for Unimar for fiscal years 1991 through 1995. Unimar has no source of revenue and all funds for expenses and debt payments must come from cash provided by UMS. It is assumed that, over the long run, the holding company will be neither a net user nor a net producer of cash. Accordingly, our primary focus was on UMS, and no projections for fiscal 1997 or beyond were deemed necessary for Unimar.

UMS

Around valuation date, although the backlog for UMS began to increase, the market outlook for ship repairs and conversions continued to be depressed. Given the interest expense burden in UMS, it requires a significant increase in profits for UMS to reach break-even. We have made certain projections given the current outlook, which indicate no prospect of positive cash flow and profit in the foreseeable future. Since valuation is a function of future returns (explained more fully in the Valuation Analysis section), these projections would not lead to any positive conclusion of value. In order to carry out the valuation analysis, we have prepared an optimistic projection for UMS that assumes high growth in revenue and creditors' forbearance when UMS cannot meet its debt service.

Exhibits 8 through 11 present forecast income statements, balance sheets, sources and uses of cash statements, and the forecast assumptions for UMS. This optimistic projection extends to 2004 in order to fully amortize all outstanding liabilities currently and to gauge the return to equity owners. The revenue growth assumption of 35 percent is the highest for fiscal 1993; growth is then assumed at 10 percent annually until fiscal 1999 and declining to 8 and 5 percent thereafter (see Exhibit 11 for assumptions). In this forecast, UMS would begin to report profits in fiscal 1996. The balance sheet projection in Exhibit 9 and the annual cash flow in Exhibit 10 do not show repayment on the B notes (hence the increasing cash balance). These repayments are contingent on cash flow and for purposes of projection we assume that the B notes and accrued interest would be repaid in one lump sum in the year 2004. Similar treatment is made for the preferred stock dividends. Exhibit 12 presents two schedules showing the calculations for the preferred stock dividends and B note payments. For the purposes of the model, these dividends and payments are accrued and not paid until 2004. As indicated, based on this scenario and the assumptions detailed in Exhibit 11, UMS will encounter some moderate cash deficits. It is assumed that UMS can arrange for the forbearance of creditors in order to manage these cash deficits. **It should be noted that, given the business outlook**

around valuation date, this projection is based on optimistic revenue and expense assumptions. Should market conditions not permit the achievement of the forecast profit levels, it is highly probable that UMS will have to liquidate or otherwise seek protection from creditors.

Essentially, this projection assumes that by 2004 UMS would begin to redeem the preferred stock. Once the preferred stock is completely redeemed, a return on the common stock would begin to be realized. The Valuation Analysis section describes more fully the valuation results based on this projection.

Projected Financing Needs

In order to adequately maintain capital assets and to improve productivity, capital expenditures usually are indispensable to a going concern. In addition, investments in working capital are needed as sales grow. Based on our projection, UMS and UMTB will have insufficient funds available to make meaningful capital investments until fiscal 1994 at the earliest. Management commented that the repair and maintenance expense as projected should be *marginally* adequate to maintain capital equipment, barring unforeseen equipment failures and that capital expenditures should be only $30,000 to $60,000 per year for the next four to five years. The forecast takes into account additional working capital needs.

Management also indicated that prospects for finding additional financing, for any purpose, were very poor. Discussions with various lending institutions had not been fruitful. Accordingly, all requirements for funds must be met with internally generated cash. The only exceptions are the WSDOT note and one NBA note which can be paid with cash drawn from the employee contribution fund.

VI. SUMMARY OF OUTLOOK

The success of Unimar is entirely contingent upon the success of UMS. Based upon the information reviewed, the following represents our assessment of UMS as a long-term investment opportunity:

UMS

The shipbuilding and vessel repair industries are profoundly depressed. UMS's hopes for recovery are contingent upon a recovery in the ship repair business in general, which could arise from improvement in the fishing industry in Alaska, which is also depressed, or higher utilization of shipyards due to the navy home port being constructed in Everett. There is some prospect that the weakness in the fishing industry will require retrofitting of vessels in order to adapt them to different fish species or fishing conditions. Furthermore, there has been a greater emphasis on safety by the United States Coast Guard. Such an emphasis may result in upgrades of ballasts, bulkheads, and other safety features on vessels. Despite these prospects, there was little sign on the date of valuation that a meaningful recovery in business was at hand.

Overall

Adding to the risk of the very weak market for the services of UMS is an overwhelming burden of debt. Such debt is likely manageable only if there is a significant and relatively prompt return to strong markets for the Company. Accordingly, an investment in the common equity of Unimar can only be described as speculative. **There is a significant probability that the common shareholder will never see any return on investment, and/or that the common shareholder's interest in Unimar will be profoundly diluted as the result of a forced reorganization.**

VII. VALUATION ANALYSIS

Basic Theory

Valuation of a business ownership interest requires consideration of all pertinent factors bearing upon its investment merits. Many of these factors have been outlined in the INTRODUCTION section of this report. In practice, the value of a going business concern usually is expressed as a function of its future returns, measured as earnings or operating cash flow, which are capitalized or discounted at an appropriate rate of return to arrive at their present values. For this application, the selected rates of return should reflect the degree of uncertainties, i.e. risk, associated with the future returns and other rates of return available from alternative investments. Often referred to as the "discounted earnings" and "discounted operating cash flow" approaches, they have application to a variety of business valuation problems. They are based on the widely accepted financial principle that the level of risk affects the required rate of return, which in turn affects the discounted present value. For the same expected returns, the greater the risk, the higher the required rate of return that, when used in discounting, produces a lower present value for the investment or business ownership interest.

An alternative is to value the invested capital (equity and debt) of the Company and then to determine the common equity value by subtracting the value of all of the other forms of capital (in Unimar's case, the debt and preferred stock). Such a scenario could be realized by selling the operations as a going concern, paying off the debt and preferred stock, and distributing the net proceeds to common shareholders. This approach is known as the market value of invested capital (MVIC) approach.

Alternatively, the value of a business ownership interest can be expressed as the net value available to the owners if the company were to cease operations and to liquidate its assets. In this approach, the market values of the company's assets are estimated.

Net of the outstanding debts and selling expenses, the remaining balance should represent value available to the owners in liquidation. Generally referred to as the "net assets approach," it should indicate the minimal valuation of the business. Presumably the owners can always liquidate the company and realize its liquidation value.

In summary, there are two very general categories of approaches to valuing a business enterprise: going concern approaches such as the discounted cash flow or MVIC methods, and net assets or liquidation approaches, which presume the business enterprise to be not a going concern. Selection of the appropriate approach or the value indicated by either approach depends upon the subject business enterprise, the purpose of the appraisal, and other relevant considerations.

Selection of Valuation Approaches for Unimar

As previously discussed, Unimar is highly leveraged and is dependent upon an immediate and significant upturn in the shipbuilding and ship repair business for its survival. Should such an upturn fail to materialize, it is likely that the Company will be in continued default of its loan obligations, ultimately leading to a liquidation of the Company. Given this level of risk, the potential sources of value to the common shareholders come from three scenarios:

1. Assuming cooperation from creditors and the optimistic long-range projection as presented above for UMS, the present value of future residual value to the common stock after all current obligations are paid off.

2. Sale of the assets as a going concern (instead of a liquidation) to the extent that the sales price exceeds the liabilities.

3. A bankruptcy or liquidation proceeding as a consequence of insolvency. The potential proceeds to the common shareholders, if any, provide a gauge of the common stock value.

The first scenario will be analyzed by way of the discounted cash flow valuation method, and the second by the market value of invested capital method. The third scenario is also analyzed in a subsequent section.

Discounted Cash Flow (DCF) Method

The discounted cash flow method focuses on the returns available to the common equity holders over a number of years, and discounts them to a present value. In addition, a terminal value is generally forecast, often by capitalizing the projected terminal cash flow, and discounting that value to a present value also. In a typical case, returns to shareholders might be forecast over the next five years and a terminal value five years hence would be determined. In the case of Unimar, however, as demonstrated by the projections developed for UMS (Exhibits 8 to 12), there is virtually no prospect for any return to common shareholders for many years. The objective of this approach, then, will be to estimate the value in some future year when a return is available to shareholders, and discount that value over the appropriate number of years to arrive at the value today.

As indicated in the projections for UMS, certain B notes will remain outstanding at the end of fiscal 2004. At that time, UMS is projected to have $5,230,000 in debt remaining. Furthermore, all of the preferred stock will be outstanding; the projection indicates that redemption of the preferred stock in 1998, as provided for in the preferred stock agreement, will not occur as a practical matter. Our assumption is that all available cash and cash flow will be utilized beginning in fiscal 2004 to first retire the remaining debt of the Company, and then to retire the preferred stock.

Exhibit 13 details this process for UMS. The accumulated cash balance is assumed to be applied to the remaining debt, leaving a remaining cash balance of $2,665,000 available to apply to the preferred stock. After applying this cash to the preferred stock, about $7,335,000 of preferred stock is projected to remain outstanding. The preferred stock is then assumed to be paid off with all available cash flow, but assuming that the preferred shareholders will require a 10 percent rate of return on the outstanding balance. UMS is projected to have cash flow of $1,567,000 per year or $131,000 per month. Based on the projected cash flow, the preferred stock is expected to be retired approximately 76 months after the debt of UMS is completely retired. Consequently, it is expected to take approximately 76 months after September 30, 2004 to retire the preferred stock. Approximately 19 years (rounded) after September 30, 1991, *all* existing debt and preferred stock will be retired under this scenario.

In the scenario thus far, no provision has been made for taxes. Around the date of valuation, the Company had net operating loss carryforwards (NOL's) of approximately $29 million which expire through 2006. Further NOL's will accrue over the near term as the Company continues to report losses. For simplicity, the assumption is made that no tax liability is incurred until fiscal 2010, when all remaining debt and preferred stock is retired.

In summary, 19 years from the date of valuation the pretax cash flow of $1,567,000 should be available to the common shareholders. Assuming income taxes at 34 percent, and continuing the assumption that operations are static and that capital expenditures equal depreciation, distributable cash of $1,034,000 should be generated by operations. This cash flow is capitalized at an appropriate capitalization rate to determine the value of such cash flow at that time.

The capitalization rate to be used to estimate the terminal value of cash flows should be determined with regard to rates of return available on alternative investments, and should incorporate the risk factors found in Unimar. Various alternative rates of return were studied, and some of these are presented in Exhibit 18. Factors considered in our selection of a capitalization rate include the following:

1. Unimar has an experienced management team and employee base, although both of these have been pared back to the bare minimum.

2. The Company owns relatively large drydocks, which could be to its advantage in a business upturn.

3. The shipbuilding and vessel repair industry is depressed and has a very uncertain outlook. Competition for shipyard contracts is extremely intense.

4. The Company is struggling under a heavy debt load, and its ability to meet its debt commitments is highly uncertain.

5. The block of Series A common stock being valued does not possess absolute control over the Company.

6. The marketability of the Series A common stock is uncertain. While the ESOP agreement provides for a put option in the case of death, disability, or retirement, management indicated that employees terminating for other reasons may have to wait until the ESOP obligation is retired.

Based on the rates of return listed in Exhibit 18, the factors identified above, and other factors we deem relevant, we conclude that a discount rates of no less than 35 to 40 percent are justified for an investment in Unimar. In order to determine a capitalization rate from the discount rate determined above, typically a growth rate assumption must be subtracted from the discount rate. Unimar's market is not only highly cyclical, but it is unclear if the long-term trend will include significant growth. However, we have optimistically assumed a terminal growth rate of 5 percent to capture inflation and some modest perpetual growth. The resultant capitalization rates would therefore need to be at least 30 to 35 percent.

Capitalizing the future cash flow at 35 to 40 percent leads to a future value in fiscal 2010 of the common equity ranging from \$3,694,000 to \$3,134,000. Discounting the future value at 40 percent leads to an indicated present value ranging from \$5,000 to \$12,000 based on the discounted cash flow approach.

Market Value of Invested Capital (MVIC) Methods

As previously described, an alternative method is to determine the value of invested capital, and then to subtract the value of interest-bearing debt and preferred stock to arrive at the value of the common equity. A method of valuing the invested capital is to capitalize earnings before interest, depreciation, and taxes (EBIDT). A similar method is to determine the MVIC based on the revenue level.

In order to determine appropriate MVIC/EBIDT and MVIC/revenue multiples, we searched for publicly traded companies in the same or similar lines of business. For Unimar, our search for comparable companies included a review of *Moody's Manuals*, *Standard & Poor's Corporation Stock Reports*, and other sources considered reliable, all of which contain financial and operating information on actively traded public companies. After reviewing numerous candidates, our final selection for UMS was narrowed to the three companies identified alphabetically below:

	Traded
A. American Shipbuilding	NYSE
B. Avondale Industries	OTC
C. Todd Shipyards	NYSE

One of the public companies used in our last valuation, Tacoma Boatbuilding, is no longer listed on an exchange and is in serious financial trouble, so it has been removed from our analysis. Most of the remaining public companies offer a diversified line of services and numerous facilities, employs hundreds or thousands of people, and serve customers nationwide or worldwide. By comparison, UMS has smaller scale operations, occupies a single facility, and employs far fewer people. The factors outlined previously in our discussion of capitalization rates are also relevant here.

Valuation multiples for the selected companies are presented in Exhibit 16. The long-term multiples for the selected companies were computed by relating their September 1991 invested capital valuations to their EBIDT and revenue.

In our opinion, investments in the ownership of UMS represents risks higher than those represented by the comparable companies as a group, despite the dire circumstances of some of the selected companies. Thus, the MVIC/EBIDT multiples chosen for UMS should be correspondingly lower than the selected companies. There is little consistency among the public company multiples, but they can be used to provide a general guideline.

Based upon the above factors, a MVIC/EBIDT multiple of 5.0 times the historical and forecast EBIDT of UMS is the highest that we can consider reasonable given the risks inherent in UMS. This valuation approach is presented in Exhibit 14. As indicated, UMS did not have positive EBIDT in fiscal 1991, leaving projected fiscal 1992 performance as the only basis for estimating the MVIC. Capitalizing UMS' projected EBIDT results in an indicated MVIC of $2,135,000, and the MVIC/revenue method yields MVIC indicators of $1,163,000 and $1,650,000 based on historical and projected revenue, respectively.

The next step is to subtract the market value of interest-bearing debt. This is a problematic step in the process because of the lack of good indicators for the market value of the debt of the Company. Typically, the book value of a company's debt is a reasonable proxy for the market value of the debt. In the aggregate, Unimar reported debt with a book value of $10,335,792 on valuation date, and if the funds were available, creditors would have a claim on that amount, or perhaps more if the face value of the debt is considered. Nevertheless, the true market value of the debt may be considerably less than the book value because of the enormous amount of debt relative to the collateral available. However, even if the debt is substantially discounted, the value of the invested capital falls far short of the debt burden. In this analysis, a sale of the operations as a going concern will not provide any proceeds to equity holders (either preferred or common). Accordingly, the indicated value for the common stock under the MVIC approach is zero.

Liquidation Value Method

As noted before, Unimar has a high probability of insolvency and a reorganization or a liquidation proceeding would ensue as a result. Given the position of the common shareholders relative to the enormous claims of the debtholders and preferred stockholders, the common shareholders may receive no value in a formal reorganization. When a liquidation is a reasonable possibility, liquidation value can provide a floor for value; presumably a shareholder will not sell for less than can be obtained in a liquidation. Exhibit 15 provides a summary liquidation analysis. It should be noted that there are no current independent appraisals for most of the individual assets owned by Unimar. It is our understanding that the assets were reported at their current values at the time of the reorganization in 1988, and that the drydocks were subsequently written down to their estimated fair market values in 1991. For simplicity, it was assumed that their reported book values could be realized in liquidation.

We assumed that the Company's debts could be retired in an orderly liquidation at discounted book value. Even with this assumption, it is apparent that there would be no residual funds available for either preferred or common shareholders in an orderly liquidation of the Company. Accordingly, the indicated value of the common equity in Unimar under an orderly liquidation scenario is zero.

Other possibilities for Unimar include a capital restructuring on either a forced or negotiated basis. Given the lack of collateral and the inferior priority of common shareholders relative to the creditors and preferred stockholders, it is unlikely that the common shareholders would receive anything but a nominal interest in the restructured company.

VIII. VALUATION SUMMARY

The valuation methods applied so far yield the following indicators of value:

MVIC/EBIDT	0
MVIC/Revenue	0
Liquidation	0
Discounted Cash Flow	\$5,000-\$12,000

As shown, the common stock of Unimar has no determinable value except for that provided by the discounted cash flow method and it is based on very optimistic projections of future income. Even then, the value from this method is nominal. The likelihood of an optimistic scenario, as explained, is reflected in the present value through the selection of the discount rate. It is possible that a willing buyer would pay some nominal value for the probability of future return. In our view, the common stock in Unimar has only nominal value on valuation date. On a per-share basis, this nominal value can be represented as 1¢.

Based on the above considerations, we conclude that the fair market value of the common stock of Unimar as of September 30, 1991 is reasonably stated as \$0.01 per share. This value is similar to our conclusion as of September 30, 1990 and reflects the continued enormous uncertainty facing the common shareholders of Unimar due to the overwhelming burden of debt and preferred stock, as well as weakness in Unimar's remaining market. Substantive increases in value are unlikely unless or until there is dramatic improvement in Unimar's market and capital adequacy.

IX. LIMITING FACTORS AND OTHER ASSUMPTIONS

In accordance with recognized professional ethics, the fee for this service is not contingent upon our conclusion of value. Neither Management Advisory Services, Inc. nor any of its employees has an ownership interest in the Company.

The opinion of value expressed herein is valid only for the stated purpose and date of the appraisal, and is to be relied upon only by the party addressed in the transmittal letter.

Financial statements and other information provided by the Company or its representatives in the course of this investigation have been accepted without further verification as correctly reflecting business conditions and operating results for the respective periods, except as specifically noted herein.

Neither all nor any part of the contents of this report should be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent and approval of Management Advisory Services, Inc.

Future services regarding the subject matter of this report, including but not limited to testimony or attendance in court, shall not be required of Management Advisory Services, Inc. unless previous arrangements have been made therefore in writing.

EXHIBIT 1

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

COMPARATIVE SUMMARY STATEMENT OF INCOME

STATEMENT TYPE	REVIEWED		AUDITED		AUDITED	
STATEMENT DATE	9/30/91		9/30/90		9/30/89	
	($000)	%	($000)	%	($000)	%
REVENUES	3877	100.00	18077	100.00	31460	100.00
TOTAL REVENUES	3877	100.00	18077	100.00	31460	100.00
COST OF REVENUES	3689	95.14	18960	104.89	27976	88.93
LOSS ON VESSEL RECONSTRUCTION, NET	0	0.00	0	0.00	2277	7.24
TOTAL COST OF SALES	3689	95.14	18960	104.89	30253	96.16
TOTAL GROSS PROFIT	188	4.86	-883	-4.89	1207	3.84
OPERATING EXPENSES:						
SELLING, GENERAL & ADMIN.	1887	48.67	3606	19.95	4112	13.07
TOTAL OPERATING EXPENSE	1887	48.67	3606	19.95	4112	13.07
OPERATING INCOME (LOSS)	-1699	-43.81	-4490	-24.84	-2905	-9.23
OTHER INCOME (EXP):						
INTEREST INCOME	101	2.61	118	0.65	135	0.43
INTEREST EXPENSE	-688	-17.74	-4306	-23.82	-5029	-15.98
IMPUTED INTEREST EXPENSE	-2120	-54.69	-3052	-16.88	-2831	-9.00
LOSS ON DISPOSAL OF VESSEL & EQUIP	-1263	-32.56	-2648	-14.65	-1465	-4.66
LOSS ON WRITEDOWN OF DRYDOCKS TO NET REALIZABLE VALUE	-2182	-56.27	0	0.00	0	0.00
LOSS ON ASSETS HELD FOR RESALE	0	0.00	-1867	-10.33	188	0.60
OTHER	149	3.84	301	1.66	188	0.60
LOSS FROM CONTINUING OPERATIONS	-7701	-198.6	-15944	-88.20	-11718	-37.25
GAIN FROM DISCONTINUED OPERATIONS	6328	163.2	0	0.00	0	0.00
NET INCOME	-1372	-35.4	-15944	-88.20	-11718	-37.25
OTHER DATA:						
DEPRECIATION	3507	90.46	5146	28.47	5969	18.97
IMPUTED INTEREST	2120	54.69	3052	16.88	2831	9.00
DEFERRED INCOME TAX	0	0.00	0	0.00	0	0.00
OPERATING CASH FLOW	4255	109.75	-7746	-42.85	-2918	-9.28

EXHIBIT 2

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

COMPARATIVE SUMMARY BALANCE SHEETS

STATEMENT TYPE	REVIEWED		AUDITED		AUDITED	
STATEMENT DATE	9/30/91		9/30/90		9/30/89	
CURRENT ASSETS:	($000)	%	($000)	%	($000)	%
CASH	63	1.03	178	0.41	256	0.43
CASH HELD IN ESCROW	800	13.17	1236	2.85	160	0.27
TRADE ACCOUNTS RECEIVABLE, NET	372	6.13	276	0.64	2705	4.59
INSURANCE CLAIMS RECEIVABLE	0	0.00	120	0.28	1796	3.05
FEDERAL INCOME TAX RECEIVABLE	0	0.00	0	0.00	460	0.78
OTHER RECEIVABLES	0	0.00	13	0.03	163	0.28
COSTS & ESTIMATED EARNINGS IN EXCESS	79	1.30	30	0.07	49	0.08
OPERATING SUPPLIES/PREPAID EXPENSES	157	2.58	467	1.08	608	1.03
TOTAL CURRENT ASSETS	1471	24.21	2320	5.36	6196	10.52
PROPERTY	1780	29.30	1780	4.11	1780	3.02
VESSELS (INCLUDING DRYDOCKS)	1000	16.46	38089	87.95	53589	90.94
VESSELS LEASED TO A THIRD PARTY	0	0.00	4013	9.27	0	0.00
EQUIPMENT AND OTHER	1537	25.30	956	2.21	903	1.53
GROSS PROPERTY	4317	71.06	44838	103.54	56272	95.50
ACCUM DEPRECIATION	660	10.86	8223	18.99	5847	9.92
NET PROPERTY	3657	60.20	36615	84.55	50425	85.58
VESSELS HELD FOR RESALE	0	0.00	2773	6.40	0	0.00
CASH HELD IN ESCROW	947	15.59	1599	3.69	2303	3.91
TOTAL ASSETS	6075	100.00	43307	100.00	58925	100.00
CURRENT LIABILITIES:						
CURRENT PORTION-LTD	1045	17.21	2186	5.05	1645	2.79
TRADE ACCOUNTS PAYABLE/ACCRUED EXPENSES	2094	34.47	3441	7.95	5953	10.10
PAYABLE TO CREDITORS UNDER PLAN OF REORG.	1927	31.72	2169	5.01	2468	4.19
ACCRUED INTEREST PAYABLE	117	1.93	509	1.18	383	0.65
NET LIAB. RELATED TO DISC. OPERATIONS	851	14.01	0	0.00	0	0.00
TOTAL CURRENT LIABILITIES	6034	99.33	8306	19.18	10450	17.73
ACCRUED INTEREST PAYABLE	936	15.41	3051	7.05	1621	2.75
LONG TERM DEBT, NET OF CURRENT	9290	152.92	39663	91.59	39016	66.21
LIABILITIES DEFERRED-PLAN OF REORG.	0	0.00	0	0.00	728	1.24
DEFERRED INCOME TAXES	600	9.88	1700	3.93	1700	2.89
TOTAL LIABILITIES	16861	277.53	52720	121.74	53515	90.82
EQUITY:						
PREFERRED STOCK	10000	164.60	10000	23.09	10000	16.97
COMMON STOCK & ADDITIONAL PAID-IN CAPITAL	8437	138.88	8437	19.48	7317	12.42
RETAINED EARNINGS (DEFICIT)	-29223	-481.02	-27851	-64.31	-11907	-20.21
TOTAL EQUITY	-10786	-177.53	-9413	-21.74	5410	9.18
TOTAL LIAB/EQUITY	6075	100.00	43307	100.00	58925	100.00

EXHIBIT 3

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

FINANCIAL RATIOS

	9/30/91	9/30/90	9/30/89
SOLVENCY RATIOS			
CURRENT	0.24	0.28	0.59
WORKING CAPITAL ($000)	-4564	-5986	-4253
SAFETY RATIOS			
L.T.DEBT/EQUITY	-0.92	-4.39	7.66
DEBT/EQUITY	-1.56	-5.60	9.89
PROFIT RATIOS (%)			
GROSS PROFIT MARGIN	4.86	-4.89	3.84
OPER PROFIT MARGIN	-43.81	-24.84	-9.23
PRETAX MARGIN	NM	-88.20	-37.25
RETURN ON EQUITY - PRETAX a	NM	NM	-199.9
RETURN ON ASSETS - PRETAX a	NM	-73.63	-18.36
ASSET TURN RATIOS			
SALES/TOTAL ASSETS a	1.28	0.83	0.49
SALES/NET FIXED ASSETS a	2.12	0.99	0.58
SALES/EQUITY a	NM	NM	5.37
SALES/WORKING CAPITAL a	NM	NM	NM
A/R TURNOVER a	20.84	131.21	10.74
A/R TURNOVER (DAYS) a	17.28	2.74	33.53
COS/ACCOUNTS PAYABLE & ACCRUALS a	3.52	11.02	4.69

NM = NOT MEANINGFUL

a) Average balance sheet values used.

b) Annualized; income statement reflects 13 months of operations.

EXHIBIT 4

UNIMAR INTERNATIONAL, INC.

CORPORATE HOLDING COMPANY

PROJECTED STATEMENT OF INCOME

STATEMENT TYPE	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
STATEMENT DATE	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96
	($000)	($000)	($000)	($000)	($000)	($000)
TOTAL REVENUES	0	0	0	0	0	0
DIRECT LABOR	0	0	0	0	0	0
MATERIAL/SUBCONTRACTORS	0	0	0	0	0	0
COMMISSIONS	-3	0	0	0	0	0
OTHER DIRECT EXPENSES	7	0	0	0	0	0
TOTAL DIRECT EXPENSE	4	0	0	0	0	0
OPERATING INCOME	-4	0	0	0	0	0
GENERAL & ADMINISTRATIVE EXPENSES:						
G & A SALARIES & BENEFITS	774	400	432	467	504	544
G & A EXPENSES	291	120	140	150	160	172
CORPORATE ALLOCATION	-968	-520	-572	-618	-667	-734
TOTAL OPERATING EXPENSE	97	0	0	-1	-3	-18
EBDIT	-101	0	0	1	3	18
OTHER EXPENSES (INCOME):						
DEPRECIATION EXPENSE	10	18	12	7	3	3
MISC. (INCOME) EXPENSE	-114	0	0	0	0	0
INTEREST PAID	4	0	0	0	0	0
LOSS(GAIN) CONS. SUB.	13199	804	318	173	-69	-377
RESTATEMENT OF DEBT	0	0	0	0	0	0
IMPUTED INTEREST	0	0	0	0	0	0
PRETAX INCOME	-13200	-822	-330	-179	69	392
INCOME TAXES	0	0	0	0	0	0
NET INCOME	-13200	-822	-330	-179	69	392

EXHIBIT 5

UNIMAR INTERNATIONAL, INC.

CORPORATE HOLDING COMPANY

COMPARATIVE SUMMARY BALANCE SHEET

STATEMENT TYPE	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
STATEMENT DATE	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96
CURRENT ASSETS:	($000)	($000)	($000)	($000)	($000)	($000)
CASH & EQUIVALENTS	6	36	36	37	37	53
NOTES & TRADE ACCTS REC.	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0	0
INCOME TAX RECEIVABLE	460	0	0	0	0	0
INTERCOMPANY ACCOUNTS	1102	982	824	651	461	251
TOTAL CURRENT ASSETS	1568	1018	860	688	498	304
GROSS PROPERTY a	48	48	48	48	51	54
ACCUM DEPRECIATION	11	29	41	48	51	54
NET PROPERTY	38	20	8	1	1	1
RESTRICTED CASH	769	0	0	0	0	0
INVESTMENT IN AFFILIATES	1800	996	678	505	574	951
TOTAL ASSETS	4175	2034	1546	1194	1073	1256
CURRENT LIABILITIES:						
CURRENT PORTION -LTD	0	158	173	190	209	0
ACCTS PAYABLE/ACCR. EXP.(b)	1608	289	289	289	289	289
BANK NOTES PAYABLE	0	0	0	0	0	0
ACCRUED INTEREST PAYABLE	0	0	0	0	0	0
TOTAL CURRENT LIABILITIES	1608	447	462	479	498	289
LONG TERM DEBT (a)	8400	8242	8069	7879	7669	7669
DEFERRED INCOME TAXES	1700	1700	1700	1700	1700	1700
OTHER LIABILITIES (c)	2169	2169	2169	2169	2169	2169
TOTAL LIABILITIES	13877	12558	12400	12227	12037	11827
EQUITY:						
PREFERRED STOCK	10000	10000	10000	10000	10000	10000
CAPITAL STOCK	100	100	100	100	100	100
COMMON STOCK	4266	4266	4266	4266	4266	4266
PAID-IN CAPITAL	4072	4072	4072	4072	4072	4072
DEBT WRITE-UP ADJUSTMENT(a)	-4784	-4784	-4784	-4784	-4784	-4784
RETAINED EARNINGS	-23356	-24178	-24507	-24686	-24617	-24225
TOTAL EQUITY	-9702	-10524	-10854	-11033	-10964	-10572
TOTAL LIAB/EQUITY	4175	2034	1546	1194	1073	1256

a Debt has been written up to face value, with the offsetting debit to equity.
b Reduction of A/P and Accrued Expenses in 1991 is partly a reflection of the payment of a tax refund-related payable to MARAD, and partly a reflection of downsizing.
c Other liabilities consists mostly of prepetition liabilities.

EXHIBIT 6

UNIMAR INTERNATIONAL, INC.

CORPORATE HOLDING COMPANY

SOURCES AND USES OF CASH

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95
BEGINNING CASH	6	36	36	37	37
SOURCES:					
NET INCOME	-822	-330	-179	69	392
DEPRECIATION & AMORTIZATION	18	12	7	3	3
INCREASE IN ACCTS PAYABLE/ACCRUED LIAB.	-1319	0	0	0	0
CHANGE IN ACCRUALS & OTHER CURRRENT LIAB.	0	0	0	0	0
DECREASE (INCREASE) IN INCOME TAX REC.	460	0	0	0	0
DECREASE (INCREASE) IN RESTRICTED CASH	769	0	0	0	0
TOTAL SOURCES	-894	-318	-172	72	395
USES:					
INCREASE IN ACCTS RECEIVABLE	0	0	0	0	0
CHANGE IN PREPAID EXPENSES	0	0	0	0	0
INCREASE (DECREASE) IN INTERCOMPANY ACCOU	-120	-158	-173	-190	-209
CAPITAL EXPENDITURES	0	0	0	3	3
CHANGE IN OTHER ASSETS	-804	-318	-173	69	377
DECREASE (INCREASE) IN LONG TERM DEBT	0	158	173	190	209
DECREASE/INCREASE IN OTHER L-T LIAB.	0	0	0	0	0
CHANGE IN BANK NOTES PAYABLE	0	0	0	0	0
TOTAL USES	-924	-318	-173	72	380
ENDING CASH	36	36	37	37	53
NET CASH PRODUCED	30	0	1	0	15

EXHIBIT 7

UNIMAR INTERNATIONAL, INC.

CORPORATE HOLDING COMPANY

ASSUMPTIONS

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95
REVENUE GROWTH	NA	NA	NA	NA	NA
TAX RATE ASSUMED	34.00%	34.00%	34.00%	34.00%	34.00%
DEPRECIATION & AMORT.	18	12	7	3	3
ACCTS REC. TURNOVER	8.00	8.00	8.00	8.00	8.00
CAPITAL EXPENDITURES	0	0	0	3	3
INCREASE (DECR.) IN RESTRICTED CASH	-769	0	0	0	0
INCREASE (DECR.) IN INCOME TAX RECEIVABLE	-460	0	0	0	0
(COST OF SALES+OPER.EXP)/(A/P+ACCR. EXP.)	1.8	1.8	1.8	1.8	1.8
CHANGE IN PREPAID EXPENSES (%)	5%	5%	5%	5%	5%
CASH RECEIVED FROM SUBSIDIARIES RE: WSDOT (FLOWS THROUGH INTERCOMPANY RECEIVABLE)	120	158	173	190	209
INCREASE (DECREASE) IN BANK NOTES PAYABLE	0	0	0	0	0
INTEREST RATE ON LINE OF CREDIT	10.00%	10.00%	10.00%	10.00%	10.00%
INCREASE (DECREASE) IN LONG TERM DEBT	-120	-158	-173	-190	-209
INCREASE (DECR.) IN OTHER L-T LIAB.	0	0	0	0	0
INT. RATE ON LONG TERM DEBT	0.00%	0.00%	0.00%	0.00%	0.00%

EXHIBIT 8

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

PROJECTED STATEMENT OF INCOME

STATEMENT TYPE	ACTUAL		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/91		9/30/92		9/30/93		9/30/94		9/30/95		9/30/96		9/30/97	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
TOTAL REVENUES	4333	100.00	5500	100.00	7425	100.00	8168	100.00	8984	100.00	9883	100.00	10871	100.00
EXPENSES:														
DIRECT LABOR & BENEFITS	2541	58.63	2805	51.00	3787	51.00	4165	51.00	4582	51.00	5040	51.00	5544	51.00
MATERIAL/SUBCONTRACTORS	438	10.10	550	10.00	743	10.00	817	10.00	898	10.00	988	10.00	1087	10.00
SHOP SUPPLIES	133	3.06	110	2.00	149	2.00	163	2.00	180	2.00	198	2.00	217	2.00
YARD EXPENSE	111	2.57	96	1.75	130	1.75	143	1.75	157	1.75	173	1.75	190	1.75
INSURANCE	83	1.90	100	1.82	125	1.68	138	1.68	151	1.68	166	1.68	183	1.68
OTHER OPERATING EXPENSES	298	6.89	312	5.67	390	5.25	429	5.25	472	5.25	519	5.25	571	5.25
TOTAL OPERATING EXPENSES	3603	83.16	3973	72.24	5322	71.68	5855	71.68	6440	71.68	7084	71.68	7792	71.68
OPERATING INCOME	730	16.84	1527	27.76	2103	28.32	2313	28.32	2544	28.32	2799	28.32	3078	28.32
GENERAL & ADMIN. EXPENSES:														
SUPP SERV WAGES & BENEFITS	97	2.24	90	1.64	113	1.52	124	1.52	136	1.52	150	1.52	165	1.52
G & A SALARIES & BENEFITS	363	8.37	385	7.01	424	5.71	458	5.61	494	5.50	544	5.50	598	5.50
G & A EXPENSES	163	3.76	105	1.91	142	1.91	156	1.91	168	1.87	185	1.87	204	1.87
CORPORATE ALLOCATION	376	8.68	520	9.45	572	7.70	618	7.56	667	7.43	734	7.43	807	7.43
TOTAL G & A EXPENSES	999	23.06	1100	20.01	1250	16.84	1355	16.59	1466	16.32	1613	16.32	1774	16.32
EBDIT	-269	-6.21	427	7.76	852	11.48	958	11.73	1078	12.00	1186	12.00	1304	12.00
OTHER EXPENSES (INCOME):														
DEPRECIATION EXPENSE	878	20.27	872	15.86	875	11.79	879	10.76	803	8.94	647	6.55	587	5.40
MISC. (INCOME) EXPENSE	-32	-0.73	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INTEREST PAID	70	1.61	283	5.15	265	3.56	244	2.99	223	2.48	203	2.05	184	1.69
"B" NOTE INTEREST PAID	0	0.00	27	0.49	19	0.26	13	0.16	5	0.06	0	0.00	0	0.00
"C" NOTE INTEREST PAID	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
OTHER INTEREST PD. (REC'D)	110	2.53	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INT.ACCR.(UNPAID)	54	1.24	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"B" NOTE INT.ACCR.(UNPAID)	168	3.89	168	3.06	168	2.27	168	2.06	168	1.87	168	1.70	168	1.55
"C" NOTE INT.ACCR.(UNPAID)	181	4.17	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
LOSS ON DISPOSAL OF ASSETS	1259	29.06	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
EMP. CONT.-RESTRICTED CASH	0	0.00	-120	-2.17	-158	-2.13	-173	-2.12	-190	-2.12	-209	-2.12	-230	-2.12
RESTATEMENT OF DEBT	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
IMPUTED INTEREST	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
PRETAX INCOME	-2958	-68.3	-804	-14.62	-318	-4.3	-173	-2.12	69	0.8	377	3.81	595	5.48
INCOME TAXES	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
NET INCOME	-2958	-68.3	-804	-14.62	-318	-4.28	-173	-2.12	69	0.77	377	3.81	595	5.48

NOTE: EMPLOYEE CONTRIBUTION TO RESTRICTED CASH IS ADDED BACK TO I/S TO AVOID DOUBLE COUNTING THE IMPACT ON CASH.

EXHIBIT 8 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

PROJECTED STATEMENT OF INCOME

STATEMENT TYPE	PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/98		9/30/99		9/30/00		9/30/01		9/30/02		9/30/03		9/30/04	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
TOTAL REVENUES	11958	100.00	13154	100.00	14206	100.00	15343	100.00	16570	100.00	17399	100.00	18268	100.0
DIRECT LABOR & BENEFITS	6099	51.00	6708	51.00	7245	51.00	7825	51.00	8451	51.00	8873	51.00	9317	51.0
MATERIAL/SUBCONTRACTORS	1196	10.00	1315	10.00	1421	10.00	1534	10.00	1657	10.00	1740	10.00	1827	10.0
SHOP SUPPLIES	239	2.00	263	2.00	284	2.00	307	2.00	331	2.00	348	2.00	365	2.0
YARD EXPENSE	209	1.75	230	1.75	249	1.75	268	1.75	290	1.75	304	1.75	320	1.7
INSURANCE	201	1.68	221	1.68	239	1.68	258	1.68	279	1.68	293	1.68	308	1.6
OTHER OPERATING EXPENSES	628	5.25	690	5.25	746	5.25	805	5.25	870	5.25	913	5.25	959	5.2
TOTAL OPERATING EXPENSE	8572	71.68	9429	71.68	10183	71.68	10998	71.68	11878	71.68	12472	71.68	13095	71.6
OPERATING INCOME	3386	28.32	3725	28.32	4023	28.32	4345	28.32	4692	28.32	4927	28.32	5173	28.3
OPERATING EXPENSES:														
SUPP SERV WAGES & BENEFITS	181	1.52	199	1.52	215	1.52	232	1.52	251	1.52	264	1.52	277	1.5
G & A SALARIES & BENEFITS	658	5.50	724	5.50	782	5.50	844	5.50	912	5.50	957	5.50	1005	5.5
G & A EXPENSES	224	1.87	247	1.87	266	1.87	288	1.87	311	1.87	326	1.87	342	1.8
CORPORATE ALLOCATION	888	7.43	977	7.43	1055	7.43	1139	7.43	1231	7.43	1292	7.43	1357	7.4
TOTAL OPERATING EXPENSE	1951	16.32	2147	16.32	2318	16.32	2504	16.32	2704	16.32	2839	16.32	2981	16.3
EBDIT	1435	12.00	1578	12.00	1705	12.00	1841	12.00	1988	12.00	2088	12.00	2192	12.0
OTHER EXPENSES (INCOME):														
DEPRECIATION EXPENSE	608	5.09	629	4.78	563	3.97	593	3.87	519	3.13	544	3.13	456	2.4
MISC. (INCOME) EXPENSE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
"A" NOTE INTEREST PAID	163	1.36	141	1.08	118	0.83	30	0.19	15	0.09	6	0.04	1	0.0
"B" NOTE INTEREST PAID	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
"C" NOTE INTEREST PAID	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
OTHER INTEREST PAID (REC'D)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
"A" NOTE INT. ACCR.(UNPAID)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
"B" NOTE INT. ACCR.(UNPAID)	168	1.41	168	1.28	168	1.19	168	1.10	168	1.02	168	0.97	168	0.9
"C" NOTE INT. ACCR.(UNPAID)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
LOSS ON DISPOSAL OF ASSETS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
EMP. CONTR.-RESTRICTED CASH	-253	-2.12	-279	-2.12	-301	-2.12	-325	-2.12	0	0.00	0	0.00	0	0.0
RESTATEMENT OF DEBT	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
IMPUTED INTEREST	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
PRETAX INCOME	748	6.26	918	6.98	1156	8.14	1375	8.96	1286	7.76	1369	7.87	1567	8.5
INCOME TAXES	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.0
NET INCOME	748	6.26	918	6.98	1156	8.14	1375	8.96	1286	7.76	1369	7.87	1567	8.5

EXHIBIT 9

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

COMPARATIVE SUMMARY BALANCE SHEET

STATEMENT TYPE	ACTUAL		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/91		9/30/92		9/30/93		9/30/94		9/30/95		9/30/96		9/30/97	
CURRENT ASSETS:	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
CASH & EQUIVALENTS	12	0.17	-644	-10.97	-442	-8.14	-100	-1.99	414	8.55	1138	22.40	1764	31.96
NOTES & TRADE ACCTS REC.	372	5.17	550	9.37	743	13.68	817	16.33	898	18.54	988	19.45	1087	19.70
PREPAID EXPENSES	157	2.18	165	2.81	173	3.19	182	3.63	191	3.94	200	3.94	200	3.63
COSTS & PROFITS > BILLINGS	79	1.09	28	0.47	28	0.51	28	0.55	28	0.57	28	0.54	28	0.50
INTERCOMPANY ACCOUNTS	772	10.71	772	13.15	772	14.22	772	15.43	772	15.93	772	15.19	772	13.99
TOTAL CURRENT ASSETS	1392	19.32	870	14.83	1273	23.46	1698	33.94	2303	47.53	3126	61.52	3850	69.78
GROSS PROPERTY (f)	7869	109.24	7929	135.09	7959	146.67	7989	159.69	8029	165.72	8089	159.22	8389	152.03
ACCUM DEPRECIATION	2058	28.57	2930	49.92	3805	70.12	4684	93.63	5487	113.26	6134	120.74	6721	121.81
NET PROPERTY	5811	80.68	4999	85.17	4154	76.54	3305	66.06	2542	52.47	1955	38.48	1668	30.22
RESTRICTED CASH	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
OTHER ASSETS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL ASSETS	7203	100.00	5869	100.00	5427	100.00	5003	100.00	4845	100.00	5080	100.00	5518	100.00
CURRENT LIABILITIES:														
CURRENT PORTION -LTD	384	5.33	297	5.06	311	5.74	277	5.55	183	3.78	188	3.70	200	3.63
ACCTS PAYABLE/ACCR. EXP.	753	10.45	564	9.60	730	13.46	801	16.01	878	18.13	966	19.02	1063	19.26
BANK NOTES PAYABLE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ACCRUED INTEREST PAYABLE	117	1.63	111	1.90	106	1.95	100	2.01	95	1.97	91	1.78	86	1.56
TOTAL CURRENT LIABILITIES	1253	17.40	972	16.56	1147	21.14	1179	23.57	1157	23.88	1245	24.51	1349	24.45
"A" NOTES	2645	36.72	2451	41.76	2250	41.46	2039	40.77	1862	38.43	1674	32.95	1474	26.71
"B" NOTES - FIXED PMT (a)	286	3.97	183	3.12	73	1.35	6	0.12	0	0.00	0	0.00	0	0.00
"B" NOTES-CASH FLOW PMT (b)	2105	29.22	2105	35.86	2105	38.79	2105	42.08	2105	43.45	2105	41.43	2105	38.15
"C" NOTES (c)	1254	17.41	1254	21.37	1254	23.11	1254	25.07	1254	25.88	1254	24.68	1254	22.73
"B" NOTE INTEREST ACCRUED	936	13.00	1105	18.82	1273	23.46	1441	28.81	1610	33.23	1778	35.00	1947	35.28
OTHER LIABILITIES	8	0.11	8	0.14	8	0.15	8	0.16	8	0.17	8	0.16	8	0.15
TOTAL LIABILITIES	8487	117.83	8077	137.62	8110	149.45	8033	160.57	7996	165.04	8064	158.73	8137	147.46
EQUITY:														
PAID-IN CAPITAL	7132	99.01	7132	121.51	7132	131.42	7132	142.56	7132	147.20	7132	140.38	7132	129.25
RETAINED EARNINGS	-8416	-116.8	-9340	-159.1	-9815	-180.9	-10162	-203.1	-10283	-212.2	-10116	-199.1	-9750	-176.7
TOTAL EQUITY	-1284	-17.83	-2208	-37.62	-2684	-49.45	-3030	-60.57	-3151	-65.04	-2984	-58.73	-2619	-47.46
TOTAL LIAB/EQUITY	7203	100.00	5869	100.00	5427	100.00	5003	100.00	4845	100.00	5080	100.00	5518	100.00

a Includes "B" notes with fixed payment schedules.

b Includes all "B" notes for which payments are contingent on cash flow.

c Collateral has been sold and proceeds given to lender. Lender verbally forgave the note, but no confirming documentation has been received. No principal or interest payments have been assumed in this model.

BALANCE TEST	OK	OK	OK	OK	OK	OK	OK

EXHIBIT 9 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

COMPARATIVE SUMMARY BALANCE SHEET

STATEMENT TYPE	PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTE	
STATEMENT DATE	9/30/98		9/30/99		9/30/00		9/30/01		9/30/02		9/30/03		9/30/04	
CURRENT ASSETS:	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
CASH & EQUIVALENTS	2529	41.57	3445	50.74	3738	53.21	4859	59.50	6243	64.67	7735	69.16	9400	72.
NOTES & TRADE ACCTS REC.	1196	19.66	1315	19.37	1421	20.22	1534	18.79	1657	17.17	1740	15.56	1827	14.
PREPAID EXPENSES	200	3.29	200	2.95	200	2.85	200	2.45	200	2.08	200	1.79	200	1.
COSTS & PROFITS > BILLINGS	28	0.45	28	0.40	28	0.39	28	0.34	28	0.28	28	0.25	28	0.
INTERCOMPANY ACCOUNTS	772	12.69	772	11.37	772	10.98	772	9.45	772	7.99	772	6.90	772	5.
TOTAL CURRENT ASSETS	4724	77.65	5760	84.83	6159	87.66	7393	90.53	8899	92.19	10474	93.66	12227	94.
GROSS PROPERTY (f)	8689	142.83	8989	132.38	9389	133.64	9889	121.09	10389	107.62	10889	97.36	11389	87.
ACCUM DEPRECIATION	7330	120.49	7959	117.21	8522	121.30	9115	111.62	9635	99.81	10179	91.02	10635	81.
NET PROPERTY	1359	22.35	1030	15.17	867	12.34	773	9.47	754	7.81	710	6.34	754	5.
RESTRICTED CASH	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.
OTHER ASSETS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.
TOTAL ASSETS	6083	100.00	6790	100.00	7025	100.00	8166	100.00	9653	100.00	11184	100.00	12981	100.
CURRENT LIABILITIES:														
CURRENT PORTION -LTD	214	3.51	887	13.06	185	2.63	84	1.03	84	0.87	21	0.18	0	0.
ACCTS PAYABLE/ACCR. EXP.(b)	1169	19.22	1286	18.94	1389	19.77	1500	18.37	1620	16.78	1701	15.21	1786	13.
BANK NOTES PAYABLE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.
ACCRUED INTEREST PAYABLE	82	1.34	78	1.14	74	1.05	70	0.86	67	0.69	63	0.57	60	0.
TOTAL CURRENT LIABILITIES	1465	24.08	2251	33.15	1647	23.45	1654	20.26	1771	18.34	1785	15.96	1846	14.
"A" NOTES	1260	20.71	373	5.49	189	2.68	105	1.28	21	0.22	0	0.00	0	0.
"B" NOTES - FIXED PMT (c)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.
"B" NOTES-CASH FLOW PMT (d)	2105	34.60	2105	31.00	2105	29.96	2105	25.78	2105	21.81	2105	18.82	2105	16.
"C" NOTES (e)	1254	20.61	1254	18.47	1254	17.85	1254	15.36	1254	12.99	1254	11.21	1254	9.
"B" NOTE INTEREST ACCRUED	2115	34.77	2283	33.63	2452	34.90	2620	32.08	2789	28.89	2957	26.44	3125	24.
OTHER LIABILITIES	8	0.13	8	0.12	8	0.11	8	0.10	8	0.08	8	0.07	8	0.
TOTAL LIABILITIES	8207	134.91	8274	121.86	7655	108.96	7746	94.85	7947	82.33	8109	72.51	8339	64.
EQUITY:														
PAID-IN CAPITAL	7132	117.24	7132	105.03	7132	101.51	7132	87.33	7132	73.88	7132	63.77	7132	54.
RETAINED EARNINGS	-9255	-152.1	-8616	-126.9	-7761	*******	-6712	-82.2	-5426	-56.21	-4057	-36.28	-2490	-19.
TOTAL EQUITY	-2124	-34.91	-1484	-21.86	-629	-8.96	420	5.15	1706	17.67	3075	27.49	4642	35.
TOTAL LIAB/EQUITY	6083	100.00	6790	100.00	7025	100.00	8166	100.00	9653	100.00	11184	100.00	12981	100.

EXHIBIT 10

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

SOURCES AND USES OF CASH

	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96	9/30/97
BEGINNING CASH	12	-644	-442	-100	414	1138
SOURCES:						
NET INCOME	-804	-318	-173	69	377	595
DEPRECIATION & AMORTIZATION	872	875	879	803	647	587
INCREASE IN ACCTS PAYABLE/ACCRUALS	-189	167	71	77	88	97
CHANGE IN ACCRUED INTEREST PAYABLE	-6	-6	-5	-5	-5	-5
"B" NOTE INTEREST ACCRUED	168	168	168	168	168	168
DECREASE (INCREASE) IN RESTRICTED CASH	0	0	0	0	0	0
TOTAL SOURCES	42	887	940	1113	1275	1443
USES:						
INCREASE IN ACCTS RECEIVABLE	178	193	74	82	90	99
CHANGE IN PREPAID EXPENSES	8	8	9	9	10	0
INCREASE IN COSTS + PROFITS > BILLINGS	-51	0	0	0	0	0
CAPITAL EXPENDITURES	60	30	30	40	60	300
CHANGE IN OTHER ASSETS	0	0	0	0	0	0
DECREASE (INCREASE) IN LONG TERM DEBT	384	297	311	277	183	188
CHANGE IN BANK NOTES PAYABLE	0	0	0	0	0	0
CASH PAID TO PARENT FOR WSDOT OBLIGATION	120	158	173	190	209	230
TOTAL USES	698	685	597	598	552	817
ENDING CASH	-644	-442	-100	414	1138	1764
NET CASH PRODUCED	-656	202	342	514	723	626

EXHIBIT 10 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

SOURCES AND USES OF CASH

	9/30/98	9/30/99	9/30/00	9/30/01	9/30/02	9/30/03	9/30/04
BEGINNING CASH	1764	2529	3445	3738	4859	6243	7735
SOURCES:							
NET INCOME	748	918	1156	1375	1286	1369	1567
DEPRECIATION & AMORTIZATION	608	629	563	593	519	544	456
INCREASE IN ACCTS PAYABLE	106	117	103	111	120	81	85
CHANGE IN ACCRUALS/OTHER CU	-4	-4	-4	-4	-4	-3	-3
"B" NOTE INTEREST ACCRUED	168	168	168	168	168	168	168
DECR. (INCR.) IN RESTRICTED	0	0	0	0	0	0	0
TOTAL SOURCES	1627	1828	1986	2244	2090	2159	2273
USES:							
INCREASE IN ACCTS RECEIVABL	109	120	105	114	123	83	87
CHANGE IN PREPAID EXPENSES	0	0	0	0	0	0	0
INCR.-COSTS + PROFITS > BIL	0	0	0	0	0	0	0
CAPITAL EXPENDITURES	300	300	400	500	500	500	500
CHANGE IN OTHER ASSETS	0	0	0	0	0	0	0
DECR(INCR)-LONG TERM DEBT	200	214	887	185	84	84	21
CHANGE IN BANK NOTES PAYABL	0	0	0	0	0	0	0
CASH TO PARENT-WSDOT OBLIGA	253	279	301	325	0	0	0
TOTAL USES	862	912	1693	1123	707	667	607
ENDING CASH	2529	3445	3738	4859	6243	7735	9400
NET CASH PRODUCED	765	917	293	1121	1384	1492	1665

EXHIBIT 11

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

ASSUMPTIONS

	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96	9/30/97
REVENUE GROWTH	26.9%	35.0%	10.0%	10.0%	10.0%	10.0%
TAX RATE ASSUMED	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
DEPREC. RATE ASSUMED (% OF FIXED ASSETS)	11.00%	11.00%	11.00%	10.00%	8.00%	7.00%
DEPRECIATION & AMORT. ($)	872	875	879	803	647	587
ACCTS REC. TURNOVER	10.00	10.00	10.00	10.00	10.00	10.00
(COSTS + PROFITS > BILLINGS)/REVENUE	0.005	0.005	0.005	0.005	0.005	0.005
CAPITAL EXPENDITURES	60	30	30	40	60	300
INCREASE (DECR.) IN RESTRICTED CASH	-120	-158	-173	-190	-209	-230
(COST OF SALES+OPER. EXP)/(A/P+ACCR. EXP)	9.0	9.0	9.0	9.0	9.0	9.0
CHANGE IN PREPAID EXPENSES (%)	5%	5%	5%	5%	5%	0%
DIRECT LABOR (ASSUMES 100% AND 25% BENEFIT BURDEN ON SHIPYARD & ADMIN. LABOR, RESPECTIVELY)	1711	2232	2449	2687	2955	3251
ADDITION TO EMP. FUND (4.5% X DIR. LABOR)	120	158	173	190	209	230
INCREASE (DECREASE) IN BANK NOTES PAYABLE	0	0	0	0	0	0
INTEREST RATE ON LINE OF CREDIT	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INCREASE (DECREASE) IN "A" NOTES	-164	-194	-202	-210	-177	-188
INCREASE (DECR.) IN "B" NOTES-FIXED PMT	-120	-103	-110	-67	-6	0
INCR. (DECR.) IN "B" NOTES-CASH FLOW PMT	0	0	0	0	0	0
INCR. (DECR.) IN "C" NOTES	0	0	0	0	0	0
INT. RATE ON "A" NOTES EXCEPT EVERGREEN	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INTEREST RATE ON EVERGREEN "A" NOTE	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
INT. RATE ON MMB & TRANSAMERICA "B" NOTES	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
INTEREST RATE ON EVERGREEN "B" NOTE	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
INTEREST RATE ON NNB "B" NOTE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INTEREST RATE ON MMB "C" NOTE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INTEREST RATE ON NEAL/EAGLE PAC. NOTES	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
CASH PAID TO PARENT FOR WSDOT OBLIGATION	120	158	173	190	209	230
INTEREST RATE EARNED ON RESTRICTED CASH	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

ASSUMPTIONS

	9/30/98	9/30/99	9/30/00	9/30/01	9/30/02	9/30/03	9/30/04
REVENUE GROWTH	10.0%	10.0%	8.0%	8.0%	8.0%	5.0%	5.0%
TAX RATE ASSUMED	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
DEPREC. RATE ASSUMED (% OF	7.00%	7.00%	6.00%	6.00%	5.00%	5.00%	4.00%
DEPRECIATION & AMORT.	608	629	563	593	519	544	456
ACCTS REC. TURNOVER	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(COSTS+PROFITS>BILLINGS)/RE	0.005	0.005	0.005	0.005	0.005	0.005	0.005
CAPITAL EXPENDITURES	300	300	400	500	500	500	500
INCR. (DECR.) IN RESTRICTED	-253	-279	-301	-325	0	0	0
(COS+OPER. EXP)/(A/P+ACCR.	9.0	9.0	9.0	9.0	9.0	9.0	9.0
CHANGE IN PREPAID EXPENSES	0%	0%	0%	0%	0%	0%	0%
DIRECT LABOR (ASSUMES 100% AND 25% BENEFIT BURDEN ON SHIPYARD & ADMIN. LABOR)	3576	3933	4248	4588	4955	5203	5463
ADD. TO EMP. FUND(4.5%XDIR.	253	279	301	325	0	0	0
INCREASE (DECREASE) IN BANK	0	0	0	0	0	0	0
INTEREST RATE ON LINE OF CR	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INCREASE (DECREASE) IN "A"	-200	-214	-887	-185	-84	-84	-21
INCR. (DECR.)-"B" NOTES-FIX	0	0	0	0	0	0	0
(DECR.)-"B" NOTES-CASH FLOW	0	0	0	0	0	0	0
INCR. (DECR.) IN "C" NOTES	0	0	0	0	0	0	0
INT. RATE-"A" NOTES EXC. EV	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INTEREST RATE-EVERGREEN "A"	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
INT. RATE ON MMB & TRANS. "	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
INT. RATE ON EVERGREEN "B"	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
INTEREST RATE ON NNB "B" NO	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INTEREST RATE ON MMB "C" NO	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INT. RATE ON NEAL/EAGLE PAC	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
CASH TO PARENT-WSDOT OBLIGA	253	279	301	325	0	0	0
RATE EARNED ON RESTRICTED C	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

EXHIBIT 12

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

VARIABLE PAYOUT ANALYSIS

CALCULATION OF CASH FLOW FOR "B" NOTE PURPOSES

	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96	9/30/97
PRETAX INCOME	-804	-318	-173	69	377	595
PLUS:						
INTEREST EXPENSE	478	452	425	396	371	352
DEPRECIATION	872	875	879	803	647	587
DEBT PAYMENTS	284	297	311	277	183	188
LESS:						
CAPITAL EXPENDITURES	60	30	30	40	60	300
WORKING CAPITAL DEFICIT	101	0	0	0	0	0
"OPERATIONAL CASH GENERATION"	669	1277	1412	1506	1519	1423
DEBT PAYMENTS	284	297	311	277	183	188
INTEREST PAYMENTS	310	284	257	228	203	184
"CASH FLOW"	75	696	844	1000	1132	1051
X 0.5 =						
"AVAILABLE CASH FLOW"	37	348	422	500	566	526
X 0.7521 =						
AMOUNT OF "B" NOTE PAYMENT	28	262	317	376	426	395

(NO CASH FLOW-CONTINGENT "B" PAYMENTS ARE ASSUMED IN THE MODEL; CASH IS ACCUMULATED INSTEAD)

CALCULATION OF PREFERRED STOCK DIVIDEND REQUIREMENTS

10 PERCENT OF CASH FLOW > 0	0	20	34	51	72	63
CUMULATIVE	0	20	54	106	178	241

(PREFERRED DIVIDENDS ARE ASSUMED TO ACCUMULATE UNPAID UNTIL 2003)

EXHIBIT 12 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

VARIABLE PAYOUT ANALYSIS

CALCULATION OF CASH FLOW FOR "B" NOTE PURPOSES

	9/30/98	9/30/99	9/30/00	9/30/01	9/30/02	9/30/03	9/30/04
PRETAX INCOME	748	918	1156	1375	1286	1369	1567
PLUS:							
INTEREST EXPENSE	332	310	286	198	183	175	169
DEPRECIATION	608	629	563	593	519	544	456
DEBT PAYMENTS	200	214	887	185	84	84	84
LESS:							
CAPITAL EXPENDITURES	300	300	400	500	500	500	500
WORKING CAPITAL DEFICIT	0	0	0	0	0	0	0
"OPERATIONAL CASH GENERATIO	1588	1771	2493	1851	1572	1672	1776
DEBT PAYMENTS	200	214	887	185	84	84	84
INTEREST PAYMENTS	163	141	118	30	15	6	1
"CASH FLOW"	1225	1416	1487	1636	1474	1581	1691
X 0.5 =							
"AVAILABLE CASH FLOW"	612	708	744	818	737	791	846
X 0.7521 =							
AMOUNT OF "B" NOTE PAYMENT	461	532	559	615	554	595	636

(NO CASH FLOW-CONTINGENT "B" PAYMENTS ARE ASSUMED IN THE MODEL; CASH IS ACCUMULATED INSTEAD)

CALCULATION OF PREFERRED STOCK DIVIDEND REQUIREMENTS

10 PERCENT OF CASH FLOW > 0	76	92	29	112	138	149	160
CUMULATIVE	317	409	438	550	689	838	998

(PREFERRED DIVIDENDS ARE ASSUMED TO ACCUMULATE UNPAID UNTIL 2003)

EXHIBIT 13

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

ANALYSIS OF TERMINAL OBLIGATIONS IN 2003

REMAINING DEBT		
REMAINING DEBT AT THE END OF 2004 (EXCL. C NOTE, $000)	5231	
TERMINAL CASH IN FISCAL 2004 ($000)	9400	
LESS: PREFERRED STOCK DIVIDENDS ($000)	-1004	
CASH FOR OPERATIONS ($000)	-500	
CASH AVAILABLE TO PAY OFF DEBT ($000)	7896	
CASH REMAINING ($000)	2665	
PREFERRED STOCK		
PREFERRED STOCK TO BE RETIRED ($000)	10000	
LESS: CASH AVAILABLE AFTER DEBT RETIREMENT	2665	
PREFERRED STOCK TO BE RETIRED ($000)	7335	
CASH FLOW AVAILABLE FOR PAYMENTS ($000)	1567	
MONTHLY PAYMENT ($000)	131	
NUMBER OF MONTHS TO PAY OFF PREFERRED @10% ($000)	76	
NUMBER OF YEARS TO BE FREE & CLEAR OF DEBT & PREFERRED STOCK (ROUNDED)	19	
TERMINAL CASH FLOW ($000)	1567	
LESS: FEDERAL INCOME TAXES @ 34% ($000)	533	
AFTER-TAX CASH FLOW ($000)	1034	
CAPITALIZATION RATE (ASSUMES 5% GROWTH)	30.00%	35.00%
FUTURE VALUE ($000)	3448	2955
PRESENT VALUE ($000)	12	5

EXHIBIT 14

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

MARKET VALUE OF INVESTED CAPITAL METHODS

($000)

MVIC/EBIDT METHOD		PROJECTED 1992	ACTUAL 1991
EBIDT (a)		427	-1699
MVIC/EBIDT MULTIPLE (b)	X	5	5
INDICATED VALUE OF INVESTED CAPITAL		2135	NM
LESS: MARKET VALUE OF DEBT (c)		10336	10336
INDICATED VALUE OF EQUITY		NM	NM

MVIC/REVENUE METHOD		PROJECTED 1992	ACTUAL 1991
REVENUE		5500	3877
MVIC/EBIDT MULTIPLE (b)	X	0.30	0.30
INDICATED VALUE OF INVESTED CAPITAL		1650	1163
LESS: MARKET VALUE OF DEBT (c)		10336	10336
INDICATED VALUE OF EQUITY		NM	NM

a EBIDT = Earnings before interest, depreciation, and taxes (from UMS operations).

b MVIC = Market value of invested capital.

c Discounted book value per audited statement. Excludes accrued interest and pre-petition liabilities.

NM = Not meaningful.

EXHIBIT 15

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

LIQUIDATION ANALYSIS

STATEMENT TYPE	REVIEWED		ESTIMATED MARKET VALUE		
STATEMENT DATE	9/30/91		9/30/91		
CURRENT ASSETS:	($000)	%	($000)	%	
CASH	63	1.03	63	0.93	100%
CASH HELD IN ESCROW	800	13.17	800	11.88	100%
TRADE ACCOUNTS RECEIVABLE, NET	372	6.13	372	5.53	100%
COSTS & ESTIMATED EARNINGS IN EXCESS	79	1.30	79	1.17	100%
OPERATING SUPPLIES/PREPAID EXPENSES	157	2.58	157	2.33	100%
TOTAL CURRENT ASSETS	1471	24.21	1471	21.83	
PROPERTY	1780	29.30	1780	26.43	100%
VESSELS (INCLUDING DRYDOCKS)	1000	16.46	1000	14.85	100%
EQUIPMENT AND OTHER	1537	25.30	1537	22.83	100%
GROSS PROPERTY	4317	71.06	4317	64.10	
ACCUM DEPRECIATION	660	10.86	0	0.00	0%
NET PROPERTY	3657	60.20	4317	64.10	
CASH HELD IN ESCROW	947	15.59	947	14.06	100%
TOTAL ASSETS	6075	100.00	6735	100.00	

CURRENT LIABILITIES:					
CURRENT PORTION-LTD	1045	17.21	1045	15.52	100%
TRADE ACCOUNTS PAYABLE/ACCRUED EXPENSES	2094	34.47	2094	31.09	100%
PAYABLE TO CREDITORS UNDER PLAN OF REORG.	1927	31.72	1927	28.61	100%
ACCRUED INTEREST PAYABLE	117	1.93	117	1.74	100%
NET LIAB. RELATED TO DISC. OPERATIONS	851	14.01	851	12.64	100%
TOTAL CURRENT LIABILITIES	6034	99.33	6034	89.60	
ACCRUED INTEREST PAYABLE	936	15.41	936	13.90	100%
LONG TERM DEBT, NET OF CURRENT	9290	152.92	9290	137.94	100%
DEFERRED INCOME TAXES	600	9.88	600	8.91	100%
TOTAL LIABILITIES	16861	277.53	16861	250.34	
TOTAL EQUITY/NET ASSET VALUE	-10786	-177.53	-10126	-150.3	
TOTAL LIAB/EQUITY	6075	100.00	6735	100.00	

Note: Asset values are estimated at cost or book value, whichever is higher. No adjustment is made to write liabilities up to face value. Despite these aggressive assumptions, net asset value is negative, indicating that neither the preferred nor common stock would realize any proceeds in an orderly sale of the assets.

EXHIBIT 16

UNIMAR INTERNATIONAL, INC.

VALUATION RATIOS FOR SELECTED PUBLIC COMPANIES

SHIP REPAIR AND CONVERSION INDUSTRY

I. MARKET VALUE OF INVESTED CAPITAL/EARNINGS BEFORE INTEREST, DEPRECIATION & TAXES (MVIC/EBIDT)

	MARKET VALUE OF EQUITY ($000)	MARKET VALUE OF DEBT ($000)	MARKET VALUE OF INVESTED CAPITAL	MVIC/EBIDT MULTIPLES, based on: Latest 12 mos. EBIDT	Latest Fiscal Year EBIDT	Latest 3yr Weighted Avg EBIDT	Latest 3y Straight Avg EBIC
AMERICAN SHIP BUILDING(9/30)	17679	38765	56444	28.98	28.98	45.05	48.76
AVONDALE INDUSTRIES (12/31)	43290	121880	165170	NA *	-10.38 *	30.69	11.52
TODD SHIPYARDS (4/1)	62769	572	63341	NA *	1.93	16.70	-3.53 *
HARMONIC AVERAGE RATIOS				28.98	3.62	26.16	18.64

* EXCLUDED FROM HARMONIC AVERAGE

II. MVIC/REVENUE (P/R)

	September 1991 Price Range	September 1991 Avg. Price	CURRENT MVIC-TO-REVENUE MULTIPLES, based on: Latest 12 mos. Revenue	Latest Fiscal Year Revenue	Latest 3yr Weighted Average	Latest 3yr Straight Average
AMERICAN SHIP BUILDING(9/30)	2.38 - 2.88	2.63	0.77	0.77	0.78	0.79
AVONDALE INDUSTRIES (12/31)	2.88 - 3.13	3.00	0.20	0.22	0.23	0.24
TODD SHIPYARDS (4/1)	4.88 - 5.63	5.25	NA *	0.34	0.29	0.28
HARMONIC AVERAGE RATIOS			0.32	0.34	0.36	0.37

* EXCLUDED FROM HARMONIC AVERAGE

Exhibit 17

UNIMAR INTERNATIONAL, INC.

Comparative Rates of Return

	Yield or Rate of Return September 27, 1991
Treasury Bills (90 days)[a]	5.16%
Treasury Bonds (30 years)[a]	7.88%
Commercial Paper (90 days)[a]	5.52%
Prime Rate[a] as (of 9/30/91)	8.00%
Common Stocks (1962 to 1990)[b]	10.20%
Small Company Stocks (1962 to 1990)[b]	13.50%
Venture Capital:[c]	

	Approximate Range of Required Return
Startup	50% to 75%
First Stage	40% to 60%
Second Stage	35% to 50%
Third Stage	30% to 50%
Fourth Stage	30% to 40%

Definitions of the various stages of development of venture capital backed companies vary slightly from firm to firm; however, the following abbreviated descriptions would probably meet with general acceptance in the industry:

"Startup" companies, usually less than a year old, are involved in early product development and testing.

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[a] *Wall Street Journal*. Sept. 30, 1991.

[b] *Stocks Bonds, Bills and Inflation, 1991 Yearbook*, published by Ibbotson Associates.

[c] *What Do Venture Capital Pricing Methods Tell About Valuation of Closely Held Firms?* by Bradley A. Fowler, AM; Business Valuation Review. June 1989.

"First stage" companies are performing market studies, testing prototypes, and perhaps manufacturing limited amounts of product.

"Second stage" is usually considered to be when financing for initial expansion is provided. A viable product exists and a market for it has been established. Profits, if any, are not yet meaningful.

"Third stage" should be experiencing a rapid ramp up in sales. Profit margins should be acceptable, but internally generated cash is probably insufficient to meet expansion requirements.

"Fourth stage" companies should be profitable and growing rapidly. Although capital may still be needed to fuel growth, much of the risk associated with early stage companies has been eliminated. Cash out may be only a year or two away.

Exhibit 18

UNIMAR INTERNATIONAL, INC.

Description of Management Advisory Services, Inc.

Management Advisory Services, Inc. (MAS) is a professional organization providing a variety of valuation, consulting and educational services to major corporations, financial institutions, business owners, trade associations and legal and accounting firms. Areas of expertise include appraisals of closely held businesses and intangible assets (patents, licenses, copyrights, etc.), general business consulting, and business and strategic planning.

Several of our consultants are qualified as expert witnesses and each member of our professional staff has a minimum of an MBA. Other qualifications include Certified Public Accountant (CPA), Chartered Financial Analyst (CFA), Accredited Senior Appraiser, American Society of Appraisers (ASA), Certified Financial Planner (CFP), and Certified Management Consultant (CMC).

Exhibit 19

UNIMAR INTERNATIONAL, INC.

MAS Staff Qualifications

David A. Duryee

Mr. Duryee is a principal and co-founder of Management Advisory Services, Inc. and has been active in business appraising, consulting and financial training for twenty years. He received his BA and MBA from the University of Washington in finance and has diplomas from the College for Financial Planning, Pacific Coast Banking School, and the American Institute of Banking. Mr. Duryee is co-author of "Financial Management for the Closely Held Business", "Valuing an Automobile Dealership", "Small Business Banking, Assessing Needs and Establishing Strategies", and "Financial Management of an Automobile Dealership", as well as numerous articles in trade publications. He is a nationally known lecturer to business owners, bankers, and professionals, and is an experienced professor at graduate banking schools. Mr. Duryee sits on the boards of several corporations and is a qualified expert witness in both state and federal courts on matters pertaining to valuation and finance. Professional memberships include the American Society of Appraisers, Institute of Certified Financial Planners, Institute of Business Appraisers, and International Association for Financial Planning.

T. S. Tony Leung

Mr. Leung is a principal and co-founder of Management Advisory Services, Inc. and since 1978, has been active in the valuation of business interests, financial management consulting, and capital planning. He holds a BA and MBA (Finance) from the University of Washington and is a Certified Public Accountant (CPA) in the state of Washington. Mr. Leung is also a Chartered Financial Analyst (CFA), a Senior Member of the American Society of Appraisers (ASA), and a past president (1983-1985) of the Seattle Chapter, American Society of Appraisers. Mr. Leung has also served on the Business Valuation Committee of the American Society of Appraisers. His valuation experience covers businesses in various industries throughout North America and overseas. He has published frequently on the subject of valuation. Mr. Leung has testified as an expert witness in both state and federal courts, and frequently lectures on the subject of valuation. Mr. Leung has also served as a college instructor in Finance and Accounting at the graduate level.

Mark C. Tibergien

Mr. Tibergien is a principal and the managing director of Management Advisory Services, Inc. and has been working with public and private companies on matters related to corporate valuations, corporate finance, investor relations, investment research, management of pension and profit sharing plans, and mergers and acquisitions since 1972. Prior to joining MAS, he was a vice president and director of another firm specializing in valuations of businesses and investment research. He received his education from Bay de Noc College in Michigan and the University of Wisconsin, Stevens Point. He has been a director of several businesses and organizations and served as President of the Western Washington Chapter, International Association for Financial Planning (IAFP), a member of the National IAFP Strategic Planning Committee, and Chairman of the Northwest Regional Council of IAFP, and served on its National Executive Committee. He is a nationally known lecturer to business owners, financial planners, and other professionals.

Christopher D. Cortese

Mr. Cortese is a Vice President with Management Advisory Services, Inc. He received his MBA (Finance) from the University of Oregon and has been active in business appraising and consulting since 1981 and is a court qualified expert witness. A Chartered Financial Analyst (CFA), Mr. Cortese also is an Accredited Senior Appraiser (ASA) with the American Society of Appraisers and a Certified Management Consultant (CMC). His valuation and consulting experience is national in scope and has covered a broad range of industries and size of businesses. He has authored numerous articles on the subject of valuation and has lectured on valuations before graduate school students and relevant professional groups.

Dennis H. Locke

Mr. Locke is a Vice President with Management Advisory Services, Inc. He has an MBA from Seattle University and a BS degree in Finance from the University of Washington. Mr. Locke is a Chartered Financial Analyst (CFA) and an Accredited Senior Appraiser, American Society of Appraisers (ASA). He has been active in business valuation, capital planning, and financial analysis since 1981 and has testified as an expert witness. Mr. Locke has been published on the subject of valuation of patents, and has lectured on valuation and financial analysis before relevant professional groups. He is a member of the Seattle Society of Financial Analysts, and serves as president of the Seattle Chapter, American Society of Appraisers.

David W. Simpson

Mr. Simpson, a Senior Consultant with Management Advisory Services, Inc., received his MBA (Finance) from the University of Wisconsin where he was recognized by Beta Gamma Sigma, a national business honors society. An Accredited Senior Appraiser (ASA) of the American Society of Appraisers and a Chartered Financial Analyst (CFA), he received his BS (High Honors) in Agricultural Science from the University of Illinois. Since joining MAS, Mr. Simpson has specialized in the valuation and analysis of closely-held businesses for mergers, acquisitions, taxation, employee stock ownership plans (ESOPs), and other purposes. Mr. Simpson has testified on valuation issues and has been published in national journals on the subjects of valuations for ESOPs and financing techniques for small business buyouts.

Kristine F. Waldron

Ms. Waldron is a Research Analyst for Management Advisory Services, Inc. She has a BA in English and a Master's in Library Science from the State University of New York at Albany. Prior to joining MAS, she was Information Specialist for Urbach Kahn & Werlin PC, an accounting and consulting firm in Albany, New York. Responsible for managing firmwide research and information needs for eight U.S. offices and many international affiliates, she worked closely with the firm's business valuation, litigation support, tax, audit and accounting, and business consulting practices.

Linda C. Walk

Ms. Walk is a Financial Analyst for Management Advisory Services, Inc. She received her BA in Business Administration (Finance) from the University of Washington (summa cum laude) where she was recognized by Beta Gamma Sigma, a national business honors society and Phi Beta Kappa, a national scholastic honors society. Ms. Walk is a Chartered Financial Analyst (CFA) and a Certified Financial Planner (CFP). Prior to joining MAS, she worked as a Client Services Associate/Investment Research Analyst with Frank Russell Trust Company in Tacoma, Washington.